

Message Text

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42

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 IO-14 SS-20 SP-03 CAB-09 CIAE-00

COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00

L-03 NSC-07 DRC-01 /105 W
----- 036647

P R 261443Z JUN 74

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC PRIORITY 2258

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

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E.O. 11652 N/A

TAGS: ETRD, SW

SUBJECT: CIVAIR: WORLD AIRWAYS ASKS SWEDEN FOR EXCEPTION TO
AFFINITY CHARTER RULES

1. THOMAS HUGHES, VICE PRESIDENT (EUROPE), WORLD AIRWAYS, VISITED EMBASSY JUNE 25 TO PROVIDE COPY OF HIS LETTER TO HENRIK WINBERG, DIRECTOR GENERAL, SWEDISH CIVIL AVIATION BOARD, REQUESTING EXCEPTIONAL APPROVAL OF 20 CHARTER FLIGHTS TO STOCKHOLM OVER COURSE OF SUMMER, ALL OF WHICH VIOLATE SCANDINAVIAN (SWEDEN, NORWAY, DENMARK) AFFINITY CHARTER RULE REQUIRING ONE PLANE TO CARRY NO MORE THAN ONE GROUP. HUGHES CLAIMED THAT ALTHOUGH HE WAS FULLY INFORMED BY WINBERG OF ONE-PLANE-ONE-GROUP RULE LAST MARCH, SALES AGENTS SOMEHOW FAILED TO UNDERSTAND REQUIREMENT. WINBERG PERMITTED FIRST TWO NONCOMPLYING FLIGHTS TMFTER, BUT ASKED FOR WRITTEN REQUEST FOR ADDITIONAL EXCEPTIONS. HUGHES UNDERSTOOD WINBERG MIGHT HAVE TO GIVE NEGATIVE ANSWER TO LETTER BUT WOULD EXPECT WORLD AIRWAYS TO APPEAL TO HIGHER SWEDISH AUTHORITY. HUGHES SAID ALL PASSENGERS BOOKED FOR THESE STOCKHOLM-COPENHAGEN-HELSINKI TOURS ARE MEMBERS OF BONAFIDE ORGANIZATIONS.

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2. PLEADING INNOCENT MISTAKE, LETTER ASSURED WINBERG THAT

CHARTER ADMINISTRATION OF BOTH WORLD AIRWAYS AND TRAVEL AGENCY CONCERNED, INTRAV, ST. LOUIS, MISSOURI, "HAVE BEEN SEVERELY CAUTIONED AND IT IS NOW MADE CLEAR TO OUR SATISFACTION THAT NO SUCH MISUNDERSTANDING CAN OCCUR AGAIN...MR NOLAN (VP, INTRAV, WHO ALSO VISITED EMBASSY) AND I CAN GIVE YOU OUR ASSURANCE THAT WE HAVE MADE IT (SIC) ABSOLUTELY CLEAR TO ALL CONCERNED THE IMPORTANCE OF COMPLIANCE WITH OUR RULES". HUGHES ALSO ARGUED THAT CANCELLATION OF FLIGHTS COULD COST SWEDEN AS MUCH AS \$1.6 MILLION IN UNREALIZED EARNINGS, ADVERSE PUBLICITY IN U.S., AND LOSS OF FUTURE AMERICAN TOURIST TRADE, AND THAT IT COULD WORK HARDSHIP ON AMERICANS WHO HAVE BOUGHT TOURS.

3. IN DISCUSSING PROBLEM WITH HUGHES AND HIS COLLEAGUES. EMBOFF RECEIVED IMPRESSION THAT BOOKING OF MORE THAN ONE GROUP PER PLANE WAS NOT MISTAKE, THAT WORLD AIRWAYS AND INTRAV ARE PRESENTING SWEDES WITH FACT OF 3,619 PREPAID BOOKINGS TO FORCE ACCEPTANCE OF SPLIT CHARTERS. HUGHES BLUNTLY REMARKED HAT CARRIER COULD NOT AFFORD TO MAKE TRANS-ATLANTIC FLIGHTS WITH ONLY ONE GROUP PER PLANE. BOOKED GROUPS, FOR EXAMPLE, RANGE IN SIZE FROM 6 TO 219 WITH 30 OUT OF 52 GROUPS HAVING 70 OR FEWER MEMBERS. SOME FLIGHTS, HE ADMITTED, WERE SCHEDULED TO CARRY UP O FIVE GROUPS. ACCORDING TO HUGHES, WINBERG HIMSELF HAS ACKNOWLEDGED THAT RULE AGAINST SPLIT CHARERS IS OBSOLETE, DATING FROM DAYS WHEN PLANES WERE SMALLER THAN NOW. HUGHES SAID FRANKLY THAT ONCE SWEDES MAKE REQUESTED EXCEPTION, WORLD AIRWAYS WILL CITE PRECEDENT AND SEEK PERMANENT AUTHORIZATION TO BRING IN SPLIT CHARTERS BEGINNINR NEXT SUMMER.

4. HEAD OF MFA TRANSPOR SECTION (WINGSTRAND), WHOM WE ALERTED TO PROBLEM, DISCUSSED MATTER WITH WINBERG JUNE 26. HE CONFIRMED THAT WINBERG REGARDS RULE AS OBSOLETEAND WOULD LIKE TO SEE IT CHANGED. UNTIL CHANGE IS MADE, HOWEVER, WINBERG IS OBLIGED TO ENFORCE IT AND WILL THEREFORE PROBABLY TURN DOWN HUGHES' WRITTEN REQUEST. WINBERG TOLD MFA HE COULD MAKE EXCEPTION FOR ENRY OF AT MOST FOUR ADDITIONAL FLIGHTS, LAST OF WHICH WOULD ARRIVE JULY 15. IN MEANTIME, MFA OFFICER AND WINBERG SUGGESTED THAT WORLD AIRWAYS RESCHEDULE REMAINING TOURS AND SIMULTANEOUSLY APPLY TO KING-IN-COUNCIL FOR CHANGE OF RULE, A DECISION WHICH COULD BE TAKEN AT JULY 12 MEEING, ASSUMING THAT PRIOR SCANDINA-LIMITED OFFICIAL USE

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VIAN CONSULTATIONS REAISED NO OBJECTION. MFA OFFICER THOUGHT DANES, BADLY IN NEED OF FOREIGN EXCHANGE, WOULD GO ALONG.

5. ACTION REQUESTED: HUGHES HAS REQUESTED EMBASSY HELP IN MATTER. EMBASSY SYMPATHETIC TO ECONOMIC PRESSURES TO FILL PLANES, BUT CONCERNED OVER TACTICS OF WORLD AIRWAYS AND INTRAV. NEVERTHELESS, IN VIEW OF FACT THAT OVER 3600 UNSUSPECTING AMERICANS HAVE PREPAID THEIR TRAVEL TO

SCANDINAVIA ON THESE TOURS AND CLEAR DISPOSITION OF WINBERG'S
PART FOR CHANGE, EMBASSY WILLING TO TAKE ACTIVE ROLE IF OUR
REPRESENTATIONS WOULD NOT BE COUNTER TO U.S. POSITION ON
SPLIT CHARTERS. ADVISE.
STRAUSZ-HUPE

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